

News

United States
Department
of Labor



Bureau of Labor Statistics

Philadelphia, Pa. 19106-3305

Internet address: <http://www.bls.gov/ro3/home.htm>

INFORMATION: Gerald Perrins
(215) 597-3282

MEDIA CONTACT: Sheila Watkins
(215) 861-5600

PLS - 4001

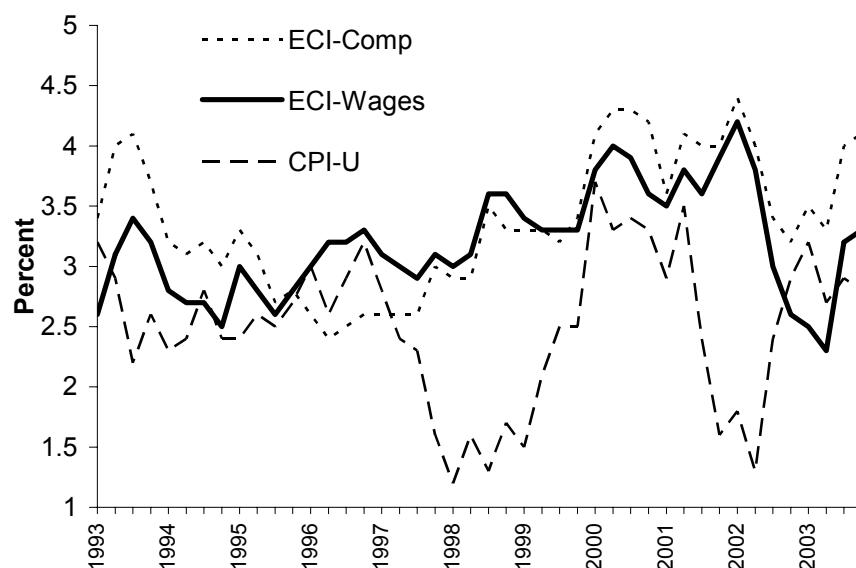
FOR RELEASE:

WEDNESDAY, FEBRUARY 4, 2004

EMPLOYMENT COST INDEX FOR THE NORTHEAST – DECEMBER 2003

The Employment Cost Index (ECI) for total compensation for private nonfarm workers in the Northeast Region increased 4.1 percent over the year ended December 2003, the U.S. Department of Labor's Bureau of Labor Statistics reported today. Sheila Watkins, the Bureau's regional commissioner, noted that this was the largest 12-month increase since March 2002. The ECI for wages and salaries, a component of the total index, was up 3.3 percent over the year—the largest 12-month advance since June 2002.

Chart 1. Over-the-year percent change in the Employment Cost Indexes for private industry workers, compensation and wages and salaries, and the Consumer Price Index for All Urban Consumers, Northeast region, 1993-2003



The 12-month increase in wages and salaries costs in the Northeast outpaced retail prices for the second consecutive quarter. The Consumer Price Index for All Urban Consumers (CPI-U) for the Northeast rose 2.8 percent since last December, 0.5 percentage point less than the increase in wages and salaries for the region, and 1.3 percentage points less than the increase in total compensation. (See Chart 1.)

Over the last five years, the CPI-U has increased 13.8 percent compared with 20.4 percent for the ECI for total compensation and 18.0 percent for the ECI for wages

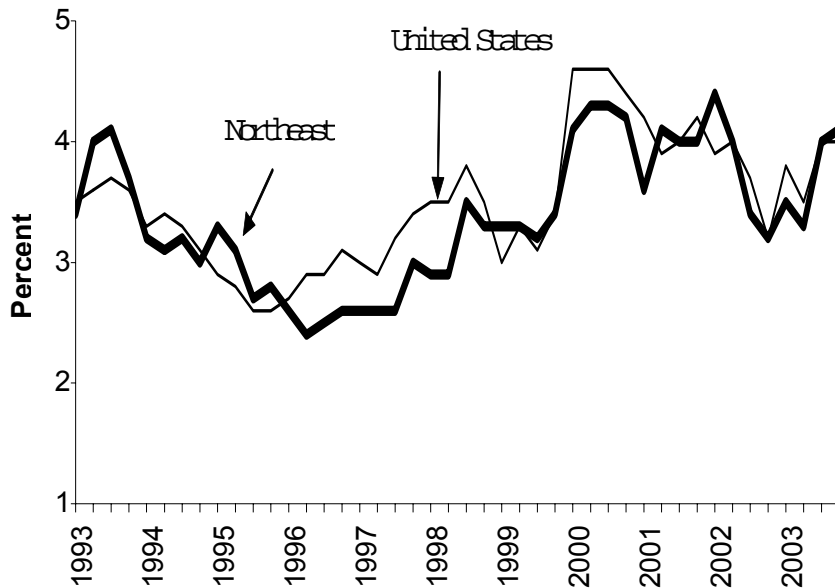
and salaries.

Trends in Compensation Costs

The U.S. rate of increase in overall compensation for private industry workers was 4.0 percent in December 2003—identical to the increase reported in September. The over-the-year increases for the U.S. and the Northeast have generally trended together over the last decade, and in the last seven quarters, the 12-month increases in both the U.S. and the Northeast region were nearly identical. (See table 1 and chart 2.)

Among the four geographic regions, increases in compensation costs ranged from 3.1 percent in the South to 4.8 percent in the Midwest for the year ended December 2003. Compensation costs rose 4.1 percent in the Northeast and 4.4 percent in the West.

Chart 2. Over-the-year percent change in ECI for compensation, private industry workers, U.S. and Northeast census region, 1993-2003

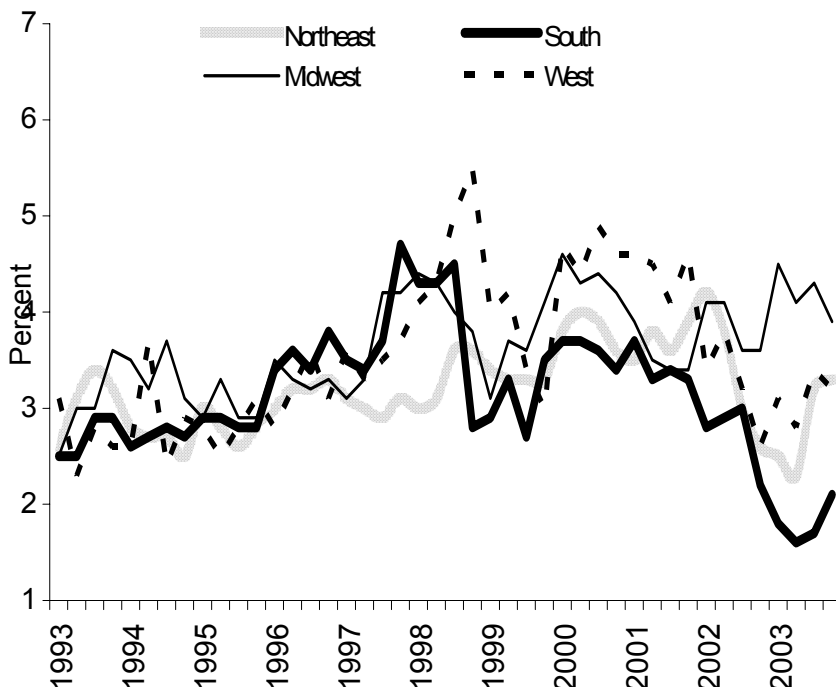


Components of Compensation Costs

Total compensation consists of wages and salaries along with employee benefits. Throughout the U.S., benefit costs increased 6.4 percent between December 2002 and December 2003—slightly below the 6.5 percent rise reported in September 2003.

The 12-month advance in wages and salaries in the U.S. was 3.0 percent, the same as the increase in September. Among the four regions, increases in wages and salaries ranged from 2.1 percent in the South to 3.9 percent in the Midwest for the year ended December 2003. Wages and salaries rose 3.2 percent in the West and 3.3 percent in the Northeast. (See table 2 and chart 3.)

Chart 3. Over-the-year percent change in ECI for wages and salaries, private industry workers, census regions, 1993-2003



Data are also available for the United States as a whole on a seasonally adjusted basis. Over the last three months, the compensation costs index increased 0.7 percent, while the wages and salaries index rose 0.5 percent. Benefit costs increased 1.2 percent for the December quarter, down slightly from the 1.4 percent gain reported in September.

The Northeast Region includes Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont. The Employment Cost Index measures changes over time in wages and salaries and in total compensation for a standard mix of labor services. It is available in index number form (June 1989=100) permitting expanded use for wage and salary administration.

In addition to these regional data, a comprehensive national report is available that provides data by industry, occupational group, union status, and all metropolitan and non-metropolitan areas combined. This report also presents data for both private and state and local government employees. The report on the Employment Cost Index and further technical information may be obtained from the U.S. Bureau of Labor Statistics, Philadelphia Information Office, Suite 610E - The Curtis Center, 170 South Independence Mall West, Philadelphia, Pennsylvania, 19106-3305 or via fax-on-demand at (215) 597-4153, request code 4110 for the text of the release, 4115 for tables 1 through 4, 4120 for tables 5 through 7, 4125 for table 8, and 4190 for explanatory notes. Requests may be faxed to (215) 861-5720. The release is also available on the World Wide Web at <http://www.bls.gov/ncs/ect/home.htm>. The ECI for March 2004 is scheduled to be released Thursday, April 29, 2004, at 8:30 a.m. (EST).

TECHNICAL NOTE: The Employment Cost Index (ECI) is a measure of the change in the cost of labor, free from the influence of employment shifts among occupations and industries. The compensation series includes changes in wages and salaries and employer costs for employee benefits. The ECI wage and salary series is limited to changes in wage and salary rates, defined as straight-time average hourly earnings. Straight-time wage and salary rates are total earnings before payroll deductions, excluding premium pay for overtime, work on weekends and holidays, and shift differentials. Production bonuses, incentive earnings, commission payments, and cost-of-living adjustments are included in straight-time earnings, whereas nonproduction bonuses (such as Christmas or year-end bonuses) are excluded. Also excluded are such items as payments-in-kind, free room and board, and tips.

Since the March 1995 news release, ECI estimates are based on 1990 counts of occupational employment by industry, rather than on 1980 employment counts. The ECI sample is rotated over approximately five years to make it more representative and reduce respondent burden. The sample is replaced on a cross-area, cross-industry basis.

Seasonally adjusted indexes for 1998-2002 were revised with the March 2003 estimates to reflect updated seasonal factors. New seasonally adjusted factors for 2002 and revised seasonally adjusted indexes for the past five years are available on the Internet at <http://www.bls.gov/ect/home.htm> or upon request.

Table 1. Employment Cost Index for total compensation¹, private industry workers², United States and Census regions, 1990-2003, not seasonally adjusted

Month and year	U.S.	Index (June 1989=100)				U.S.	3-month percent change				U.S.	12-month percent change			
		North-east	South	Mid-west	West		North-east	South	Mid-west	West		North-east	South	Mid-west	West
1990-March	103.9	104.4	104.0	103.5	103.3	1.6	1.5	1.8	1.6	1.5	5.2	5.8	5.1	4.7	4.6
-June	105.2	105.3	105.7	104.8	104.5	1.3	0.9	1.6	1.3	1.2	5.2	5.3	5.7	4.8	4.5
-September	106.2	106.5	106.3	106.3	105.6	1.0	1.1	0.6	1.4	1.1	4.9	4.6	5.0	5.2	4.6
-December	107.0	107.6	106.9	107.1	106.3	0.8	1.0	0.6	0.8	0.7	4.6	4.6	4.6	5.1	4.4
1991-March	108.5	109.4	108.4	108.5	107.5	1.4	1.7	1.4	1.3	1.1	4.4	4.8	4.2	4.8	4.1
-June	109.8	110.6	109.8	109.7	108.9	1.2	1.1	1.3	1.1	1.3	4.4	5.0	3.9	4.7	4.2
-September	111.0	111.7	110.7	111.2	110.0	1.1	1.0	0.8	1.4	1.0	4.5	4.9	4.1	4.6	4.2
-December	111.7	112.5	111.2	112.2	110.9	0.6	0.7	0.5	0.9	0.8	4.4	4.6	4.0	4.8	4.3
1992-March	113.1	113.9	112.5	113.8	111.9	1.3	1.2	1.2	1.4	0.9	4.2	4.1	3.8	4.9	4.1
-June	113.9	114.5	113.3	114.6	112.9	0.7	0.5	0.7	0.7	0.9	3.7	3.5	3.2	4.5	3.7
-September	114.8	115.5	114.1	115.3	114.1	0.8	0.9	0.7	0.6	1.1	3.4	3.4	3.1	3.7	3.7
-December	115.6	116.4	114.8	116.1	114.9	0.7	0.8	0.6	0.7	0.7	3.5	3.5	3.2	3.5	3.6
1993-March	117.1	117.8	116.2	117.9	116.2	1.3	1.2	1.2	1.6	1.1	3.5	3.4	3.3	3.6	3.8
-June	118.0	119.1	117.0	119.3	116.4	0.8	1.1	0.7	1.2	0.2	3.6	4.0	3.3	4.1	3.1
-September	119.1	120.2	118.1	120.1	117.8	0.9	0.9	0.9	0.7	1.2	3.7	4.1	3.5	4.2	3.2
-December	119.8	120.7	118.8	121.2	118.1	0.6	0.4	0.6	0.9	0.3	3.6	3.7	3.5	4.4	2.8
1994-March	121.0	121.6	120.0	122.8	119.4	1.0	0.7	1.0	1.3	1.1	3.3	3.2	3.3	4.2	2.8
-June	122.0	122.8	120.8	123.6	120.5	0.8	1.0	0.7	0.7	0.9	3.4	3.1	3.2	3.6	3.5
-September	123.0	124.0	121.8	124.6	121.3	0.8	1.0	0.8	0.8	0.7	3.3	3.2	3.1	3.7	3.0
-December	123.5	124.3	122.5	125.0	121.7	0.4	0.2	0.6	0.3	0.3	3.1	3.0	3.1	3.1	3.0
1995-March	124.5	125.6	123.7	125.8	122.6	0.8	1.0	1.0	0.6	0.7	2.9	3.3	3.1	2.4	2.7
-June	125.4	126.6	124.3	126.9	123.4	0.7	0.8	0.5	0.9	0.7	2.8	3.1	2.9	2.7	2.4
-September	126.2	127.4	125.2	127.7	123.9	0.6	0.6	0.7	0.6	0.4	2.6	2.7	2.8	2.5	2.1
-December	126.7	127.8	125.6	128.3	125.0	0.4	0.3	0.3	0.5	0.9	2.6	2.8	2.5	2.6	2.7
1996-March	127.9	128.9	127.0	129.5	125.9	0.9	0.9	1.1	0.9	0.7	2.7	2.6	2.7	2.9	2.7
-June	129.0	129.7	127.8	130.7	127.3	0.9	0.6	0.6	0.9	1.1	2.9	2.4	2.8	3.0	3.2
-September	129.8	130.6	128.8	131.3	128.3	0.6	0.7	0.8	0.5	0.8	2.9	2.5	2.9	2.8	3.6
-December	130.6	131.1	129.7	132.1	128.9	0.6	0.4	0.7	0.6	0.5	3.1	2.6	3.3	3.0	3.1
1997-March	131.7	132.2	130.8	133.3	130.3	0.8	0.8	0.8	0.9	1.1	3.0	2.6	3.0	2.9	3.5
-June	132.8	133.1	131.5	134.7	131.4	0.8	0.7	0.5	1.1	0.8	2.9	2.6	2.9	3.1	3.2
-September	133.9	134.0	132.5	136.2	132.5	0.8	0.7	0.8	1.1	0.8	3.2	2.6	2.9	3.7	3.3
-December	135.1	135.0	134.6	136.9	133.4	0.9	0.7	1.6	0.5	0.7	3.4	3.0	3.8	3.6	3.5
1998-March	136.3	136.0	135.5	138.3	135.2	0.9	0.7	0.7	1.0	1.3	3.5	2.9	3.6	3.8	3.8
-June	137.5	137.0	136.4	139.6	136.6	0.9	0.7	0.7	0.9	1.0	3.5	2.9	3.7	3.6	4.0
-September	139.0	138.7	137.6	140.9	138.5	1.1	1.2	0.9	0.9	1.4	3.8	3.5	3.8	3.5	4.5
-December	139.8	139.5	138.1	141.4	140.0	0.6	0.6	0.4	0.4	1.1	3.5	3.3	2.6	3.3	4.9
1999-March	140.4	140.5	139.1	141.7	140.3	0.4	0.7	0.7	0.2	0.2	3.0	3.3	2.7	2.5	3.8
-June	142.0	141.5	140.7	143.6	142.1	1.1	0.7	1.2	1.3	1.3	3.3	3.3	3.2	2.9	4.0
-September	143.3	143.2	141.8	145.0	143.3	0.9	1.2	0.8	1.0	0.8	3.1	3.2	3.1	2.9	3.5
-December	144.6	144.3	143.0	146.3	144.7	0.9	0.8	0.8	0.9	1.0	3.4	3.4	3.5	3.5	3.4
2000-March	146.8	146.3	145.0	148.9	147.0	1.5	1.4	1.4	1.8	1.6	4.6	4.1	4.2	5.1	4.8
-June	148.5	147.6	146.7	150.7	148.8	1.2	0.9	1.2	1.2	1.2	4.6	4.3	4.3	4.9	4.7
-September	149.9	149.3	147.6	152.2	150.8	0.9	1.2	0.6	1.0	1.3	4.6	4.3	4.1	5.0	5.2
-December	150.9	150.3	148.6	153.3	151.8	0.7	0.7	0.7	0.7	0.7	4.4	4.2	3.9	4.8	4.9
2001-March	153.0	151.6	151.1	154.8	154.3	1.4	0.9	1.7	1.0	1.6	4.2	3.6	4.2	4.0	5.0
-June	154.5	153.7	152.3	156.0	156.0	1.0	1.4	0.8	0.8	1.1	4.0	4.1	3.8	3.5	4.8
-September	155.9	155.2	153.5	157.4	157.6	0.9	1.0	0.8	0.9	1.0	4.0	4.0	4.0	3.4	4.5
-December	157.2	156.3	154.6	158.6	159.4	0.8	0.7	0.7	0.8	1.1	4.2	4.0	4.0	3.5	5.0
2002-March	158.9	158.3	156.2	161.1	160.4	1.1	1.3	1.0	1.6	0.6	3.9	4.4	3.4	4.1	4.0
-June	160.7	159.9	157.6	162.6	162.9	1.1	1.0	0.9	0.9	1.6	4.0	4.0	3.5	4.2	4.4
-September	161.6	160.5	158.9	163.5	163.8	0.6	0.4	0.8	0.6	0.6	3.7	3.4	3.5	3.9	3.9
-December	162.3	161.3	159.0	164.6	165.0	0.4	0.5	0.1	0.7	0.7	3.2	3.2	2.8	3.8	3.5
2003-March	165.0	163.8	160.6	169.0	167.3	1.7	1.5	1.0	2.7	1.4	3.8	3.5	2.8	4.9	4.3
-June	166.4	165.2	161.6	170.4	169.5	0.8	0.9	0.6	0.8	1.3	3.5	3.3	2.5	4.8	4.1
-September	168.1	166.9	163.2	171.7	171.4	1.0	1.0	1.0	0.8	1.1	4.0	4.0	2.7	5.0	4.6
-December	168.8	167.9	163.9	172.5	172.2	0.4	0.6	0.4	0.5	0.5	4.0	4.1	3.1	4.8	4.4

¹ The index measures change in total compensation costs: wages, salaries, and employer costs for employee benefits.² Excludes self-employed, unpaid family members and private household employees.

Table 2. Employment Cost Index for wages and salaries only, private industry workers¹, United States and Census regions, 1990-2003, not seasonally adjusted

Month and year	U.S.	Index (June 1989=100)				U.S.	3-month percent change				U.S.	12-month percent change			
		North-east	South	Mid-west	West		North-east	South	Mid-west	West		North-east	South	Mid-west	West
1990-March	103.2	104.0	103.5	102.6	102.5	1.2	1.1	1.4	1.0	1.1	4.2	5.4	4.3	3.5	3.4
-June	104.5	104.8	105.2	103.7	104.0	1.3	0.8	1.6	1.1	1.5	4.5	4.8	5.2	3.7	4.0
-September	105.4	105.9	105.7	105.1	104.8	0.9	1.0	0.5	1.4	0.8	4.2	4.0	4.4	4.3	4.0
-December	106.1	106.9	106.1	105.8	105.4	0.7	0.9	0.4	0.7	0.6	4.0	3.9	3.9	4.1	3.9
1991-March	107.3	108.3	107.4	106.9	106.4	1.1	1.3	1.2	1.0	0.9	4.0	4.1	3.8	4.2	3.8
-June	108.4	109.4	108.5	107.7	107.6	1.0	1.0	1.0	0.7	1.1	3.7	4.4	3.1	3.9	3.5
-September	109.3	110.3	109.2	108.9	108.6	0.8	0.8	0.6	1.1	0.9	3.7	4.2	3.3	3.6	3.6
-December	110.0	110.9	109.6	109.9	109.4	0.6	0.5	0.4	0.9	0.7	3.7	3.7	3.3	3.9	3.8
1992-March	110.9	111.7	110.8	110.7	110.2	0.8	0.7	1.1	0.7	0.7	3.4	3.1	3.2	3.6	3.6
-June	111.6	112.2	111.5	111.3	111.1	0.6	0.4	0.6	0.5	0.8	3.0	2.6	2.8	3.3	3.3
-September	112.2	113.0	112.0	111.8	112.2	0.5	0.7	0.4	0.4	1.0	2.7	2.4	2.6	2.7	3.3
-December	112.9	113.7	112.7	112.5	112.8	0.6	0.6	0.6	0.6	0.5	2.6	2.5	2.8	2.4	3.1
1993-March	113.9	114.6	113.6	113.5	113.6	0.9	0.8	0.8	0.9	0.7	2.7	2.6	2.5	2.5	3.1
-June	114.6	115.7	114.3	114.6	113.7	0.6	1.0	0.6	1.0	0.1	2.7	3.1	2.5	3.0	2.3
-September	115.7	116.8	115.3	115.2	115.3	1.0	1.0	0.9	0.5	1.4	3.1	3.4	2.9	3.0	2.8
-December	116.4	117.3	116.0	116.5	115.7	0.6	0.4	0.6	1.1	0.3	3.1	3.2	2.9	3.6	2.6
1994-March	117.2	117.8	116.6	117.5	116.6	0.7	0.4	0.5	0.9	0.8	2.9	2.8	2.6	3.5	2.6
-June	118.1	118.8	117.4	118.3	117.9	0.8	0.8	0.7	0.7	1.1	3.1	2.7	2.7	3.2	3.7
-September	119.1	120.0	118.5	119.5	118.1	0.8	1.0	0.9	1.0	0.2	2.9	2.7	2.8	3.7	2.4
-December	119.7	120.2	119.1	120.1	119.0	0.5	0.2	0.5	0.5	0.8	2.8	2.5	2.7	3.1	2.9
1995-March	120.6	121.3	120.0	120.9	119.9	0.8	0.9	0.8	0.7	0.8	2.9	3.0	2.9	2.9	2.8
-June	121.5	122.1	120.8	122.2	120.9	0.7	0.7	0.7	1.1	0.8	2.9	2.8	2.9	3.3	2.5
-September	122.4	123.1	121.8	123.0	121.4	0.7	0.8	0.8	0.7	0.4	2.8	2.6	2.8	2.9	2.8
-December	123.1	123.6	122.4	123.6	122.7	0.6	0.4	0.5	0.5	1.1	2.8	2.8	2.8	2.9	3.1
1996-March	124.4	124.9	124.1	125.1	123.3	1.1	1.1	1.4	1.2	0.5	3.2	3.0	3.4	3.5	2.8
-June	125.6	126.0	125.1	126.2	124.8	1.0	0.9	0.8	0.9	1.2	3.4	3.2	3.6	3.3	3.2
-September	126.5	127.0	126.0	126.9	125.8	0.7	0.8	0.7	0.6	0.8	3.3	3.2	3.4	3.2	3.6
-December	127.3	127.7	127.0	127.7	126.5	0.6	0.6	0.8	0.6	0.6	3.4	3.3	3.8	3.3	3.1
1997-March	128.6	128.8	128.5	129.0	127.7	1.0	0.9	1.2	1.0	0.9	3.4	3.1	3.5	3.1	3.6
-June	129.7	129.8	129.4	130.4	128.9	0.9	0.8	0.7	1.1	0.9	3.3	3.0	3.4	3.3	3.3
-September	131.0	130.7	130.6	132.2	130.2	1.0	0.7	0.9	1.4	1.0	3.6	2.9	3.7	4.2	3.5
-December	132.3	131.6	133.0	133.0	131.2	1.0	0.7	1.8	0.6	0.8	3.9	3.1	4.7	4.2	3.7
1998-March	133.7	132.6	134.0	134.7	132.9	1.1	0.8	0.8	1.3	1.3	4.0	3.0	4.3	4.4	4.1
-June	134.9	133.8	134.9	136.0	134.5	0.9	0.9	0.7	1.0	1.2	4.0	3.1	4.3	4.3	4.3
-September	136.6	135.4	136.5	137.5	136.7	1.3	1.2	1.2	1.1	1.6	4.3	3.6	4.5	4.0	5.0
-December	137.4	136.4	136.7	138.0	138.4	0.6	0.7	0.1	0.4	1.2	3.9	3.6	2.8	3.8	5.5
1999-March	138.1	137.1	137.9	138.9	138.2	0.5	0.5	0.9	0.7	-0.1	3.3	3.4	2.9	3.1	4.0
-June	139.7	138.2	139.4	141.0	140.2	1.2	0.8	1.1	1.5	1.4	3.6	3.3	3.3	3.7	4.2
-September	141.0	139.9	140.2	142.4	141.3	0.9	1.2	0.6	1.0	0.8	3.2	3.3	2.7	3.6	3.4
-December	142.2	140.9	141.5	143.6	142.6	0.9	0.7	0.9	0.8	0.9	3.5	3.3	3.5	4.1	3.0
2000-March	143.9	142.3	143.0	145.3	144.7	1.2	1.0	1.1	1.2	1.5	4.2	3.8	3.7	4.6	4.7
-June	145.4	143.7	144.6	147.1	146.3	1.0	1.0	1.1	1.2	1.1	4.1	4.0	3.7	4.3	4.4
-September	146.8	145.3	145.3	148.6	148.2	1.0	1.1	0.5	1.0	1.3	4.1	3.9	3.6	4.4	4.9
-December	147.7	146.0	146.3	149.6	149.2	0.6	0.5	0.7	0.7	0.7	3.9	3.6	3.4	4.2	4.6
2001-March	149.4	147.3	148.3	150.9	151.3	1.2	0.9	1.4	0.9	1.4	3.8	3.5	3.7	3.9	4.6
-June	150.9	149.2	149.3	152.3	152.9	1.0	1.3	0.7	0.9	1.1	3.8	3.8	3.3	3.5	4.5
-September	152.1	150.6	150.2	153.6	154.3	0.8	0.9	0.6	0.9	0.9	3.6	3.6	3.4	3.4	4.1
-December	153.3	151.7	151.2	154.7	156.0	0.8	0.7	0.7	0.7	1.1	3.8	3.9	3.3	3.4	4.6
2002-March	154.7	153.5	152.5	157.1	156.4	0.9	1.2	0.9	1.6	0.3	3.5	4.2	2.8	4.1	3.4
-June	156.3	154.9	153.6	158.5	158.7	1.0	0.9	0.7	0.9	1.5	3.6	3.8	2.9	4.1	3.8
-September	157.0	155.1	154.7	159.2	159.3	0.4	0.1	0.7	0.4	0.4	3.2	3.0	3.0	3.6	3.2
-December	157.5	155.7	154.6	160.2	160.1	0.3	0.4	-0.1	0.6	0.5	2.7	2.6	2.2	3.6	2.6
2003-March	159.3	157.3	155.3	164.1	161.3	1.1	1.0	0.5	2.4	0.7	3.0	2.5	1.8	4.5	3.1
-June	160.4	158.4	156.1	165.0	163.1	0.7	0.7	0.5	0.5	1.1	2.6	2.3	1.6	4.1	2.8
-September	161.7	160.0	157.4	166.1	164.7	0.8	1.0	0.8	0.7	1.0	3.0	3.2	1.7	4.3	3.4
-December	162.3	160.9	157.9	166.5	165.2	0.4	0.6	0.3	0.2	0.3	3.0	3.3	2.1	3.9	3.2

¹Excludes self-employed, unpaid family members and private household employees.